

COMMITTEE ON FINANCE

Rockefeller Amendment # 2 to WORK Act - Social Services Block Grant Funding

Cosponsors: Breaux

Funding of the Social Service Block Grant (SSBG) increased by \$252 million to \$1.952 billion in FY 2005

The Social Service Block Grant would be funded as follows:

FY2005 \$1.952 billion

States would have the ability to transfer up to 10% of their TANF funding into the Social Services Block Grant.

Offset: Require SSA reviews of SSI determinations for individuals who have attained the age of 18. This is Section 601 of H.R. 4737, and it saves \$252 million over 5 years. Rescind just enough of the Illegitimacy Bonus for 2002 to cover the SSBG transfer costs.

Rationale: The CARE Act which was adopted by the Finance Committee on June 18, 2002 includes \$1.975 billion in FY03, and \$2.8 billion in FY04. Funding in FY05 is cut to \$1.7 billion.

Funding of the SSBG program is a fundamental part of welfare reform. It was part of the tripartisan principles submitted to Chairman Baucus and Senator Grassley. The CARE Act is intended to provide funding for the 2003, and 2004, but States need a long term commitment to increase funding of the Social Services Block Grant.

The Bush Administration has proposed eliminating the Illegitimacy Bonus. The bonus would only help a few states, and the SSBG transfer would provide flexibility to every state.